

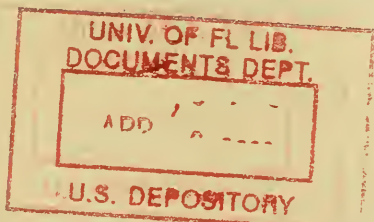
NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

LEATHER INDUSTRY

AS APPROVED ON FEBRUARY 16, 1934



UNITED STATES
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Approved Code No. 21. Amendment No. 1

AMENDMENT TO CODE OF FAIR COMPETITION
FOR THE
LEATHER INDUSTRY

As Approved on February 16, 1934

ORDER

**APPROVING AMENDMENTS OF CODE OF FAIR COMPETITION FOR THE
LEATHER INDUSTRY**

An application having been duly made pursuant to and in full compliance with the provisions of Title I, of the National Industrial Recovery Act, approved June 16, 1933, for approval of amendments to a Code of Fair Competition for the Leather Industry, and hearings having been duly held thereon and the annexed report on said amendments, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate, by reference, said annexed report and do find that said amendments and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and do hereby order that said amendments be and they are hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

GEO. L. BERRY,
Division Administrator.

WASHINGTON, D.C.,
February 16, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Amendments to the Code of Fair Competition for the Leather Industry, and on the hearing conducted thereon in Washington, D.C., January 22, 1934, in accordance with the provisions of Title I of the National Industrial Recovery Act.

GENERAL STATEMENT

The Leather Industry, through the General Planning Committee, its Code Authority, has availed itself of provisions in Article XV of the Code of Fair Competition for the Leather Industry approved by you on the seventh day of September, 1933, which recites in part:

"It is contemplated that from time to time supplementary provisions to this code or additional codes will be submitted for the approval of the President to prevent unfair competition in prices and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions hereof."

RÉSUMÉ OF MODIFICATIONS

1. For the inclusion of South Carolina in Section 1 of Article IV, left out of original through oversight.

2. A typographical correction of Article VI, subsection (b); which read: "beltmakers, emergency service workers" and now reads: "beltmakers' emergency service workers."

3. A clarification of paragraph 1 of Article X definitely outlining representation and procedure of the vote by divisions of the industry on General Planning Committee.

4. Waives six per cent (6%) interest charge where state laws provide lower rate.

Also includes a three (3) days' grace provision at seller's option, during which discount may be allowed and during which no interest shall be charged, provided payment is made within this three (3) day period.

The balance of proposed amendments are in the form of a supplemental code of fair trade practices for the American Leather Belting Association Division of the Leather Industry and its subdivisions, including the waiving of the six per cent (6%) interest charge on past due accounts because of the great number and generally small size of accounts in this division.

The Deputy Administrator in his final report to me on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) The amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of the industries, by avoiding undue restrictions of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7 and Subsection (b) of Section 10 thereof.

(c) The Tanners' Council was and is an industrial association truly representative of the aforesaid Industry and that said Council imposed and imposes no inequitable restrictions on admission to membership therein and has applied for or consents to these amendments.

(d) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendments.

Respectfully,

HUGH S. JOHNSON.

Administrator for Industrial Recovery.

FEBRUARY 16, 1934.

AMENDMENT TO THE CODE OF FAIR COMPETITION FOR THE LEATHER INDUSTRY

1. To insert the name of South Carolina in Section 1 of Article IV of the Code.

2. Article VI, Section 2 (b), is amended to read:

"Maintenance workers, engineers, firemen, beltmakers' emergency service workers, patent leather luggers and sorters of whole leather who may not work over 40 hours in any one week, except by payment of $1\frac{1}{3}$ rate for overtime, nor over 8 hours in any one day, except by payment of $1\frac{1}{3}$ rate for overtime."

3. Paragraph 1 of Article X is amended to read as follows:

"For the purpose of carrying into effect the policies set forth in the National Industrial Recovery Act, the Board of Directors of the Tanners' Council of America from time to time, subject to the approval of the National Recovery Administration, shall classify all members of the industry into divisions, each of which shall be truly representative of its branch of the Leather Industry, and shall allow to each such division the right to either one or two representatives on a General Planning Committee. Such representatives shall be elected by each division according to its own rules. An alternate may be elected and may act for any representative. If a division has two representatives either in the absence of the other may cast both votes. The General Planning Committee shall constitute the coordinating agency for the divisions of the industry."

4. The first paragraph of Article XIV is amended to read as follows:

"All invoices covering domestic sales in the Leather Industry shall be due and payable in 30 days. At seller's option payment may be made on the 15th day of any calendar month for all invoices of the preceding calendar month. No datings shall be allowed. Discount shall be for cash payment only and shall not exceed 2%. All bills are net after 30 days and interest shall be added at the rate of 6% per annum unless this shall be higher than the legal rate in any State in which case the legal rate shall prevail, provided, however, that at the seller's option he may grant 3 days of grace during which discount may be allowed, and during which no interest shall be charged, provided payment is made within this 3 day period.

"The requirement that interest shall be collected on overdue accounts shall not apply to members of the American Leather Belting Association Division of the Leather Industry, except when rough or curried belting or other leather is sold in competition with members of other divisions of the Leather Industry, in which case interest shall be collected as required by this article."

5. *Fair Trade Practices of the American Leather Belting Association Division of the Leather Industry.*—(1) After the approval of

the Contract and Forward Order forms required by Article XIV hereof, it shall be an unfair trade practice for forward orders to be accepted except in accordance with the terms and forms so approved. Orders taken for shipment within 30 days of placing of the order are not to be considered forward orders.

(2) *Deception*.—Fraudulent and/or deceptive practices, including false or misleading advertising, mislabeling, or misbranding, is an unfair trade practice.

(3) *Substitution*.—The substitution of inferior materials for those named in any order or contract without the purchaser's knowledge or permission is in unfair trade practice.

(4) *Secret Rebates*.—The giving of secret rebates or refunds is an unfair trade practice.

Fair Trade Practices Applying to Apron Manufacturers

(1) It shall be unfair trade practice for any manufacturer or jobber to give leather aprons as free samples.

(2) It shall be an unfair trade practice to give a time guarantee covering leather aprons, except that where the seller has agreed with the buyer that the matter of workmanship and materials is subject to adjustment, an adjustment may be made provided that the facts are reported to the Secretary of the American Leather Belting Association, who shall keep such facts on file.

Fair Trade Practices Applying to Canvas Lug Straps, Leather Strapping, and Leather Loom Picker Manufacturers

(1) *Advertising Allowance*.—The giving by the seller of any advertising allowance, directly or indirectly, which brings the price of any product below his cost of such product, is an unfair trade practice.

(2) *Defamation*.—Wilfull or malicious defamation of competitors or the disparagement of competitors' products, is an unfair trade practice.

(3) *Misappropriation*.—The misappropriation of a competitor's business by inducing breach of contracts, espionage, piracy of styles, designs, patents, or copyrights, or imitation of trade names or trade marks, is unfair practice.

Fair Trade Practices for Lace Leather Division

Owing to the merchandising practice in the Lace Leather Division forward orders are unnecessary where delivery is specified within ninety (90) days, from date of invoice.

Approved Code No. 21. Amendment No. 1.
Registry No. 930-1-01.

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